

To the Members of the California State Assembly:

I am returning Assembly Bill 55 without my signature.

The payment contemplated in this bill is the subject of ongoing litigation, yet this bill does not end the lawsuit. This bill would authorize payments equaling over \$800 million to the Supplemental Benefit Maintenance Account. In 2003 the Legislature determined, on a one-time basis, that a payment of \$500 million was unnecessary to provide purchasing power protection to retired teachers. That determination is the subject of ongoing litigation. This additional payment of \$800 million would not resolve that litigation. If this bill made it clear it settled the lawsuit, I would consider signing it.

Sincerely,

Arnold Schwarzenegger